



7020-02

INTERNATIONAL TRADE COMMISSION

Investigation No. 337-TA-1103

Certain Digital Video Receivers and Related Hardware and Software Components

Commission Decision to Review in Part a Summary Determination and to Review in Part a Final Initial Determination; Schedule for Filing Written Submissions on the Issues Under Review and on Remedy, the Public Interest and Bonding

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has determined to review in part the presiding administrative law judge's ("ALJ's") summary determination ("SD") (Order No. 47) concerning importation and sale after importation and to review in part a final initial determination ("ID" or "final ID") finding a violation of section 337 of the Tariff Act of 1930, as amended, with respect to U.S. Patent No. 7,779,011 ("the '011 patent"). The Commission requests briefing from the parties on certain issues under review, as set forth in this notice. The Commission also requests briefing from the parties, interested persons, and government agencies on the issues of remedy, the public interest, and bonding.

FOR FURTHER INFORMATION CONTACT: Sidney A. Rosenzweig, Office of the General Counsel, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436, telephone (202) 708-2532. Copies of non-confidential documents filed in connection with this investigation are or will be available for inspection during official business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436, telephone (202) 205-2000. General information concerning the Commission may also be obtained by accessing its Internet server (<https://www.usitc.gov>). The

public record for this investigation may be viewed on the Commission's Electronic Docket Information System ("EDIS") (<https://edis.usitc.gov>). Hearing-impaired persons are advised that information on this matter can be obtained by contacting the Commission's TDD terminal, telephone (202) 205-1810.

SUPPLEMENTARY INFORMATION: On March 16, 2018, the Commission instituted this investigation based on a supplemented complaint filed on behalf of Rovi Corporation of San Jose, California; Rovi Guides, Inc. of San Jose, California; and Veveo, Inc. of Andover, Massachusetts (collectively, "Rovi"); as well as Rovi Technologies Corporation of San Jose, CA. The supplemented complaint alleges violations of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. 1337 ("section 337"), based upon the importation into the United States, the sale for importation, and the sale within the United States after importation of certain digital video receivers and related hardware and software components by reason of infringement of one or more claims of the '011 patent; and one or more claims of U.S. Patent Nos. 7,937,394 ("the '394 patent"); 7,827,585 ("the '585 patent"); 9,294,799 ("the '799 patent"); 9,396,741 ("the '741 patent"); 9,578,363 ("the '363 patent"); 9,621,956 ("the '956 patent"); and 9,668,014 ("the '014 patent"). 83 FR 11792 (Mar. 16, 2018). The Commission's notice of investigation named as respondents Comcast Corporation of Philadelphia, Pennsylvania; Comcast Cable Communications, LLC of Philadelphia, Pennsylvania; Comcast Cable Communications Management, LLC of Philadelphia, Pennsylvania; Comcast Business Communications, LLC of Philadelphia, Pennsylvania; Comcast Holdings Corporation of Philadelphia, Pennsylvania; and Comcast Shared Services, LLC of Chicago, Illinois (collectively, "Comcast"). *Id.* The Office of Unfair Import Investigations was also named as a party in this investigation. *Id.*

The Commission previously terminated the investigation as to complainant Rovi Technologies Corporation; as to the '956, '394, '014, '799, and '363 patents in their entirety; and as to certain claims of the '011, '585, and '741 patents. Order No. 12, *unreviewed*, Notice (July 24, 2018); Order No. 33, *unreviewed*, Notice (Sept. 19, 2018); Order 39, *unreviewed*, Notice (Oct. 25, 2018).

On June 3, 2019, the presiding ALJ issued Order No. 47, the subject SD, which, *inter alia*, granted Rovi's motions for summary determination as to importation and sale after importation. On June 11, 2019, Comcast filed a petition for review of the SD. On June 18, 2019, Rovi responded to Comcast's petition. On June 25, 2019, the Commission investigative attorney ("IA") responded to Comcast's petition.

On June 4, 2019, the ALJ issued the final ID. On June 17, 2019, Comcast and Rovi each filed a petition for review of the final ID. On June 25, 2019, Comcast and Rovi responded to each other's petition, and the IA responded to both.

In addition, the Commission has received comments from Rovi on the public interest pursuant to Commission Rule 210.50(a)(4). The Commission also received comments from the following organizations in response to the Commission notice soliciting public interest comments, 84 FR 27804 (June 14, 2019): Tea Party Patriots Action; Americans for Limited Government; Frontiers of Freedom Institute; Market Institute; and Conservatives for Property Rights (joined by 60 Plus Association, and Americans for Limited Government).

On June 26, 2019, the Commission extended the deadline for whether to review the SD to be commensurate with the deadline for the final ID. On July 24, 2019, the Commission extended the deadline for whether to review the SD and the final ID from August 5, 2019 to August 15, 2019.

With respect to the subject SD, having reviewed the record of this investigation, including the SD and the parties' submissions to the ALJ and to the Commission, the Commission has determined to review in part the SD. In particular, the Commission has determined to review and take no position on whether Comcast's alleged reimportations satisfy the importation requirement of section 337; the SD made no findings on the issue. The Commission has determined not to review the remainder of the SD.

With respect to the subject final ID, having reviewed the record of the investigation, including the final ID and the parties' submissions to the ALJ and to the Commission, the Commission has determined to review in part the final ID as follows:

For the '011 patent, the Commission has determined to review the final ID's findings on direct and indirect infringement of claims 1 and 9 of the '011 patent by Comcast's non-redesigned system. The Commission has determined not to review the remainder of the final ID's findings as to the '011 patent, including the final ID's findings that Comcast's two redesigns do not infringe claims 1 and 9 of the '011 patent.

For the '585 patent, the Commission has determined to review and take no position as to the final ID's findings on the contingent noninfringement issues raised in Comcast's petition for review of the final ID, particularly whether the final ID erred in finding no disavowal by Rovi of settings that do not control how programs are to be digitally stored; whether the accused "auto pad recordings" functionality infringes claims 1 and 15; and whether the accused "start," "stop," and "HD Preferred" functionality infringes claims 8, 11, and 22. The Commission has determined not to review the remainder of the final ID's findings as to the '585 patent, including the finding that the asserted claims are invalid in view of the ReplayTV prior art.

For the '741 patent, the Commission has determined to review and take no position as to the final ID's findings on the contingent invalidity issues raised in Comcast's petition for review of the final ID, particularly whether U.S. Patent Application Publication US 2002/0095510 to Sie (RX-69) anticipates claims 1, 8, and 14 of the '741 patent and whether, under Rovi's claim construction, U.S. Patent No. 7,073,189 to McElhatten (RX-71) anticipates Claims 1, 8, and 14 of the '741 patent. The Commission has determined not to review the remainder of the findings as to the '741 patent, including the ALJ's construction of "specified time" in the *Markman* order, Order No. 41 (Oct. 15, 2018), the final ID's finding of noninfringement, and the final ID's waiver determination with respect to the "Restart Reminder" feature.

Comcast's petition for review of the final ID questioned the final ID's findings as to whether the accused products are "articles that—infringe" the asserted patents, 19 U.S.C. 1337(a)(1)(B) & (a)(1)(B)(i), and the scope of the Commission's authority to find an unfair trade act based upon Comcast's direct infringement. Such issues fall within the scope of the Commission's review of infringement as to the '011 patent, and the Commission will address Comcast's arguments based upon the Commission's infringement findings as to the '011 patent.

In connection with its review, the Commission requests responses to the following questions based in part on Comcast's assertion in its petition for review of the final ID that the final ID "is not entirely clear as to whether it found a violation of Section 337 on the basis of direct infringement of claim 9 of the '011 Patent by way of Comcast's use of the claimed system." Comcast Pet. 20. The parties are requested to brief their positions with reference to the applicable law and the existing evidentiary record.^[1] In addition, the parties are to take as true:

^[1] In seeking briefing on these issues, the Commission has not determined to excuse any party's noncompliance with Commission rules and the ALJ's procedural requirements, including

all of the final ID's findings as to the structure, function, and operation of Comcast's X1 system; and Comcast's inducement of its users' conduct. Comcast did not petition the Commission for review of any of those findings. The questions below reflect the Federal Circuit's understanding that certain "persons' actions" constitute infringement under 35 U.S.C. 271. *Suprema, Inc. v. ITC*, 796 F.3d 1338, 1347 (Fed. Cir. 2015) (en banc) (emphasis omitted).

1. Please explain, with attention to the statutory language of 35 U.S.C. 271(a) and any differences in claim language between claims 1 and 9 of the '011 patent, the circumstances in which each act of direct infringement by Comcast occurs for each claim. (For example, is there direct infringement by Comcast's testing or other use of its system, by a Comcast user's own searching, or both.)
2. Please explain, with attention to the statutory language of 35 U.S.C. 271(a) and any differences in claim language between claims 1 and 9 of the '011 patent, the circumstances in which Comcast's users directly infringe either claim. In connection with your response to this question please explain whether and how Comcast's users can directly infringe claim 9 but not claim 1, or vice versa.
3. Based on your answers to questions 1 and 2, please explain for claims 1 and 9 of the '011 patent whether and how the "single entity" test of *Akamai Technologies, Inc. v. Limelight Networks, Inc.*, 797 F.3d 1020, 1022 (Fed. Cir. 2015) should be applied and whether the final ID's application of that test to claim 1 of the '011 patent, *see* Final ID at 271, is correct.

requirements to present issues in pre-hearing and post-hearing submissions. *See, e.g.*, Order No. 2 (Mar. 28, 2018) (ground rules). The Commission may, for example, decline to disturb certain findings in the final ID upon finding that issue was not presented in a timely manner to the ALJ.

In connection with the final disposition of this investigation, the Commission may (1) issue an order that could result in the exclusion of the subject articles from entry into the United States, and/or (2) issue a cease and desist order that could result in the respondent being required to cease and desist from engaging in unfair acts in the importation and sale of such articles. Accordingly, the Commission is interested in receiving written submissions that address the form of remedy, if any, that should be ordered. If a party seeks exclusion of an article from entry into the United States for purposes other than entry for consumption, the party should so indicate and provide information establishing that activities involving other types of entry either are adversely affecting it or likely to do so. For background, see *Certain Devices for Connecting Computers via Telephone Lines*, Inv. No. 337-TA-360, USITC Pub. No. 2843, Comm'n Op. at 7-10 (Dec. 1994).

If the Commission contemplates some form of remedy, it must consider the effects of that remedy upon the public interest. The factors the Commission will consider include the effect that an exclusion order and/or cease and desist order would have on (1) the public health and welfare, (2) competitive conditions in the U.S. economy, (3) U.S. production of articles that are like or directly competitive with those that are subject to investigation, and (4) U.S. consumers. The Commission is therefore interested in receiving written submissions that address the aforementioned public interest factors in the context of this investigation.

If the Commission orders some form of remedy, the U.S. Trade Representative, as delegated by the President, has 60 days to approve or disapprove the Commission's action. See Presidential Memorandum of July 21, 2005, 70 FR 43251 (July 26, 2005). During this period, the subject articles would be entitled to enter the United States under bond, in an amount determined by the Commission and prescribed by the Secretary of the Treasury. The

Commission is therefore interested in receiving submissions concerning the amount of the bond that should be imposed if a remedy is ordered.

WRITTEN SUBMISSIONS: The parties to the investigation are requested to file written submissions limited to the enumerated questions above. The parties' opening submissions should not exceed 40 pages, and their reply submissions should not exceed 30 pages. Parties to the investigation, interested government agencies, and any other interested parties are encouraged to file written submissions on the issues of remedy, the public interest, and bonding. Such submissions should address the recommended determination by the ALJ on remedy and bonding. Complainant and the Commission investigative attorney are also requested to submit proposed remedial orders for the Commission's consideration. Complainant is also requested to state the date that the asserted patents expire and the HTSUS numbers under which the accused products are imported, and provide identification information for all known importers of the subject articles. Initial written submissions and proposed remedial orders must be filed no later than close of business on Thursday, August 29, 2019. Reply submissions must be filed no later than the close of business on Tuesday, September 10, 2019. No further submissions on these issues will be permitted unless otherwise ordered by the Commission. Persons filing written submissions must file the original document electronically on or before the deadlines stated above and submit 8 true paper copies to the Office of the Secretary by noon the next day pursuant to section 210.4(f) of the Commission's Rules of Practice and Procedure (19 CFR 210.4(f)). Submissions should refer to the investigation number (Inv. No. 337-TA-1103) in a prominent place on the cover page and/or the first page. (*See Handbook for Electronic Filing Procedures, https://www.usitc.gov/documents/handbook_on_filing_procedures.pdf*). Persons with questions regarding filing should contact the Secretary at (202) 205-2000.

Any person desiring to submit a document to the Commission in confidence must request confidential treatment. All such requests should be directed to the Secretary to the Commission and must include a full statement of the reasons why the Commission should grant such treatment. *See* 19 CFR 201.6. Documents for which confidential treatment by the Commission is properly sought will be treated accordingly. All information, including confidential business information and documents for which confidential treatment is properly sought, submitted to the Commission for purposes of this investigation may be disclosed to and used: (i) by the Commission, its employees and Offices, and contract personnel (a) for developing or maintaining the records of this or a related proceeding, or (b) in internal investigations, audits, reviews, and evaluations relating to the programs, personnel, and operations of the Commission including under 5 U.S.C. Appendix 3; or (ii) by U.S. government employees and contract personnel,^[2] solely for cybersecurity purposes. All nonconfidential written submissions will be available for public inspection at the Office of the Secretary and on EDIS.

The authority for the Commission's determination is contained in section 337 of the Tariff Act of 1930, as amended (19 U.S.C. 1337), and in Part 210 of the Commission's Rules of Practice and Procedure (19 CFR part 210).

By order of the Commission.

Lisa Barton
Secretary to the Commission

Issued: August 15, 2019

^[2] All contract personnel will sign appropriate nondisclosure agreements.

